

The opinion in support of the decision being entered today  
is *not* binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* TERRANCE W. OLIVER

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Appeal 2007-2174  
Application 10/751,614  
Technology Center 2800

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Decided: September 11, 2007

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Before LORA M. GREEN, NANCY J. LINCK,  
and RICHARD M. LEBOVITZ, *Administrative Patent Judges*.

GREEN, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the  
Examiner's final rejection of claims 21, 23, 24, 26-28, and 30-40. We have

jurisdiction under 35 U.S.C. § 6(b). Claims 21, 27, 28, and 31 are representative of the claims on appeal, and read as follows:

21. A gaming chip for use in a bet in a casino game, the gaming chip comprising:
- a transponder;
  - a memory located within the transponder;
  - a data field in said memory, wherein an identification identifying a first class for the gaming chip is located in said data field;
  - a game denominational value contained in the transponder;
- wherein the identification differentiates the first class gaming chip from at least one other class of gaming chips when said first class gaming chip and said at least one other class of gaming chips are intermingled within said bet, the transponder transmitting said game denominational value and said identification in response to a received signal, wherein each of said gaming chips of said at least one other class includes a data field within a memory of said other class of gaming chips.
27. Apparatus for use in a bet in a betting area of a casino game, the apparatus comprising:
- at least one gaming chip of a first class having a first transponder containing at least value information;
  - at least one gaming chip of a second class having a second transponder containing at least value and class information, when said at least first class gaming chip and said at least second class gaming are intermingled within said bet;
- wherein said gaming chip of said first class and said gaming chip of said second class are configured to be read by a transceiver in a vicinity near said betting area for transmitting signals and receiving signals to and from said first and second transponders, the first transponder transmitting at least said value information and said second transponder transmitting at least said value and class information to said transceiver.
28. Apparatus for betting in a betting area of a casino game, the apparatus comprising:
- at least one gaming chip of a first class in said betting area having a first transponder containing at least value information;
  - at least one gaming chip of a second class in said betting area having a second transponder containing at least value and class information;

wherein said gaming chip of said first class and said gaming chip of said second class are configured to be read by a transceiver in a vicinity near said betting area for transmitting signals and receiving signals to and from said first and second transponders, wherein said at least one first class gaming chip transmits primary signals identifying a value of said at least one first class gaming chip to said transceiver, and wherein said at least one second class gaming chip transmits secondary signals identifying a value and class of said at least one second class gaming chip to said transceiver, said secondary signals differentiating said at least one second class gaming chip from said at least one first class gaming chip.

31. The apparatus of claim 27 wherein said value and class information contained in said second transponder identifies a player using said second class casino chip.

The Examiner relies upon the following references:

Rendleman	5,166,502	Nov. 24 , 1992
Busch	6,059,659	May 9, 2000

We affirm.

## DISCUSSION

### CLAIM CONSTRUCTION

The first step in deciding patentability issues under 35 U.S. C. § 103 is determining what is being claimed. *See Key Pharmaceuticals v. Hercon Laboratories Corp.*, 161 F.3d 709, 714, 48 USPQ2d 1911, 1915 (Fed. Cir. 1998). In addition, our mandate is to give claims their broadest reasonable construction. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1364, 70 USPQ2d 1827, 1830 (Fed. Cir. 2004). “An essential purpose of patent examination is to fashion claims that are precise, clear, correct, and unambiguous. Only in this way can uncertainties of claim scope be

removed, as much as possible, during the administrative process.” *In re Zletz*, 893 F.2d 319, 322, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989).

Claim 21 requires:

A gaming chip for use in a bet in a casino game, the gaming chip comprising:

- a transponder;
- a memory located within the transponder;
- a data field in said memory, wherein an identification identifying a first class for the gaming chip is located in said data field;
- a game denominational value contained in the transponder;

wherein the identification differentiates the first class gaming chip from at least one other class of gaming chips when said first class gaming chip and said at least one other class of gaming chips are intermingled within said bet, the transponder transmitting said game denominational value and said identification in response to a received signal, wherein each of said gaming chips of said at least one other class includes a data field within a memory of said other class of gaming chips.

Thus, claim 21 reads on a single gaming chip that contains a transponder, wherein the transponder contains “a game denominational value” and a data field containing “an identification differentiating the gaming chip from at least “one other class of gaming chips.”

The recitation of the limitation “when said first class gaming chip and said at least one other class of gaming chips are intermingled within said bet, the transponder transmitting said game denominational value and said identification in response to a received signal, wherein each of said gaming chips of said at least one other class includes a data field within a memory of said other class of gaming chips” is a recitation of intended use, and not a patentable limitation, as it does not limit the structure of the claimed chip.

The only requirement that may be seen as structural is “the transponder transmitting said game denominational value and said identification in response to a received signal,” but the ability to transmit the denominational value and the identification in response to a received signal is a property of the transponder. There is no requirement in the claim that the transponder actually send the information, as that would be drawn to a method of using the chip, and does not further limit the structure of the individual chip.

The issue thus becomes what is the proper interpretation of an “identification” differentiating “the first class gaming chip from at least one other class of gaming chips.” According to the Examiner, “class of chip” could be read broadly to include a casino designation (Answer 4). Appellants assert that “[a]t all times during the prosecution of this case, this term has meant a promotional or side-bet, such as for example, a progressive type wager. For the Board to allow the Examiner to change the definition of terms at this state would be unfair.” (Reply Br.<sup>1</sup> 2.)

Claims are interpreted in light of the specification, claim language, and other claims, and such interpretation is a matter of law and controls the remainder of the decisional process. *See, e.g., Panduit Corp. v. Dennison Manufacturing Co.*, 810 F.2d 1561, 1567-68, 1 USPQ2d 1593, 1597 (Fed. Cir. 1987). The Specification teaches that the chip “may have either a game denominational or a non-denominational value. . . . A non-denominational value can be for promotional purposes . . . .” (Specification 7-8.) The Specification teaches further:

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<sup>1</sup> All references to “Reply Br.” are to the Reply Brief to the Examiner’s Answer dated November 22, 2006.

It is to be expressly understood that the chips . . . could be used in a number of different capacities. These capacities include, but are not limited to, the following:

1. Carry a denominational value and be used to participate in a bonus promotion or progressive game. .
2. Not carry a denominational amount, but qualify the player to participate in a bonus game or promotion either during a predetermined scheduled event time frame . . . or at any time.
3. Used as a promotional incentive distributed via marketing to potential players to entice them to play a live card game.
4. The special chips . . . can be part of a series of special chips with each special chip for a different promotion, even constituting restricted chips for junket play (that is, for special, predefined groups, chips could be issued to members of those groups allowing, for example, play on certain games for certain amounts or certain promotions).

(*Id.* at 11.) Moreover, according to the Specification, the chips “could be utilized to create a distinguishable signal that could be used to increment a meter, fund a bonus pool, fund a promotion, or as a triggering device.” (*Id.* at 12.)

It is therefore clear from the Specification that “class of gaming chips” as designating a promotion or a side-bet is merely an example of what could be used to differentiate one class of chips from a second class of chips. In addition, claim 31, although dependent on claim 27, comprises game chips of a first and second class, and limits the “value and class information contained in said [transponder of the second class of chips] identifies a player using said second class casino chip.” Thus, if we read “class of gaming chips” as Appellants suggest, limiting the identification of the

second class of chip to promotional or side-bets, the identification would not be broad enough to encompass player identification.

Claims 27 and 28 are drawn to an apparatus, wherein the apparatus reads on two gaming chips, wherein the transponder in the first chip contains at least a denominational value (the first class of chip), and the transponder in the second chip contains identification differentiating the second class of chip from the first class of chip.

## REJECTION

Claims 21, 23, 24, 26-28, and 30-40 stand rejected under 35 U.S.C. § 103(a) as being obvious over the combination of Rendleman and Busch.

Appellants argue the claims in 3 groups: Group I, comprising claims 21, 23, 24, 26, 27, and 30-40 (Br. 20), of which claim 21 is representative; Group II comprising claim 28 (Br. 22); and Group III comprising claims 31 and 32 (*id.*), of which claim 31 is representative;

Rendleman is cited for teaching a gaming chip for use in a casino game, wherein the gaming chip contains a transponder with memory in it, wherein the “transponder has a unique code in alternating octal hex, an equivalence of 32 bits, resulting in thirty-four billion possible combinations.” (Answer 3-4 (quoting Rendleman, col. 2, l. 50-col. 3, l. 10).) Rendleman is also cited for teaching that a variety of designations identifying the different kinds of chip may be placed in the memory, including denominational chip value, serial number, date of issue, and casino designation (Answer 4). As to the limitation that the chips are intermingled in a bet, the Examiner notes that limitation is drawn to intended use, and not a patentable limitation, as claim 27 is drawn to a chip, and not to a method

of using the chip (*id.* at 4-5). Moreover, according to the Examiner, the “fact is that the chips as taught by Rendleman . . . are structurally capable of responding to transponder signals and different chips, even when placed in close proximity to each other, would respond differently, based on the different type of data stored on the chip.” (*Id.* at 5.)

The Examiner finds that if “class of chip” includes information such as casino information, then Rendleman teaches all of the limitation of claim 27 (*id.* at 4). If, however, “‘class of chip’ is interpreted to be a ‘promotional’ or ‘side-bet’ type of designation as could be understood in light of the specification, then Rendleman . . . is deficient in this regard,” as “Rendleman . . . differentiates chips in a variety of ways but not in this way.” (*Id.* at 5.)

Busch is cited as teaching “progressive chips” as a separate category of chips, which, in one form, are not the same as those used to place the standard bets (*id.* at 6).

The Examiner concludes:

In view of Busch[’s] . . . teaching, it would have been obvious to one of ordinary skill in the art at the time the invention was made to accommodate Rendleman[’s] . . . chip technology to Busch’s “progressive chips” because that way the house can have an easier time managing many complex side-bets. Rendleman . . . already shows that chips (whether intermingled in a bet or not—this is intended use) can be differentiated from one another in a variety of ways: “casino designation, denominational chip value, serial number and date of issue.” Distinguishing progressive chips is simply one more designation, and Busch shows the value of distinguishing chips in this way.

(*Id.*)



We find, in light of the claim construction above, that Rendleman teaches all of the limitations of the chip of claim 21 when “the identification differentiates the first class gaming chip from at least one other class of gaming chips” is read as being a casino designation. In addition, Rendleman teaches that the casino designation would allow casinos to use each other’s chips, if so desired. Thus, even though the statement “when said first class gaming chip and said at least one other class of gaming chips are intermingled within said bet” in claim 21 is intended use and does not limit the scope of the claim, the chips of Rendleman would meet that limitation when being used to place a bet. Therefore, the rejection of claims 21, 23, 24, 26-28 and 30-40 is affirmed. *See, e.g., MercExchange, L.L.C. v. eBay, Inc.*, 410 F.3d 1323, 1330, 74 USPQ2d 1225, 1231 (Fed. Cir. 2005) (noting that although the defendants invalidity arguments were limited to obviousness, arguments as to anticipation were still preserved as “anticipation is the epitome of obviousness”); *In re McDaniel*, 293 F.3d 1379, 1385, 63 USPQ2d 1462, 1466 (Fed. Cir. 2002) (noting that it is “well-settled that ‘anticipation is the epitome of obviousness.’”).

Moreover, even if we were to consider the limitation of “the identification differentiates the first class gaming chip from at least one other class of gaming chips” as being limited to a promotion or side-bet, we conclude that the combination of Rendleman and Busch renders claim 21 obvious.

“In rejecting claims under 35 U.S.C. § 103, the examiner bears the initial burden of presenting a prima facie case of obviousness. Only if that burden is met, does the burden of coming forward with evidence or argument shift to the applicant.” *In re Rijckaert*, 9 F.3d 1531, 1532, 28

USPQ2d 1955, 1956 (Fed. Cir. 1993) (citations omitted). In order to determine whether a prima facie case of obviousness has been established, we considered the factors set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1996); (1) the scope and content of the prior art; (2) the differences between the prior art and the claims at issue; (3) the level of ordinary skill in the relevant art; and (4) objective evidence of nonobviousness, if present.

Rendleman teaches a gaming chip containing a transponder that can be encoded with desired identification information (col. 2, ll. 62-64). Although Rendleman provides examples of information that may be encoded, one of ordinary skill would have understood that any type of information could be encoded with any desired identification information. Busch teaches the use of gaming chips in a progressive jackpot layout in roulette, wherein the system includes sensors for detecting chips placed on the progressive layout (abstract). Busch teaches further that the dealer may register the number of chips played into a keypad or input device which transmits data to a computer for processing, and that the chips are identified as to player (col. 6, ll. 38-42). Thus, it would have been obvious to one of ordinary skill in the art at the time of invention to encode information such as player identification and progressive (side) bets as taught by Busch into the transponder in the chip of Rendleman because Busch teaches that these are desired ways of identifying chip, and it would reduce the dealer interaction by allowing the transponder in the chip to transmit the data straight into a computer for processing, as opposed to having the dealer enter it. Therefore, the rejection of claims 21, 23, 24, 26-28, and 30-40 over the combination of Rendleman and Busch is affirmed. *See KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1742, 82 USPQ2d 1385, 1397 (2007) (“One

of the ways in which a patent's subject matter can be proved obvious is by noting that there existed at the time of the invention a known problem for which there was an obvious solution encompassed by the patent's claims.")

Appellants' arguments in the Appeal Brief and the Reply Brief have been considered, but are not deemed to be persuasive, especially in view of the claim construction set forth above.

More specifically, Appellants argue that "the inclusion of the encoded electronic device is minimized in the Rendleman . . . disclosure as a part of the invention," thus "clearly negat[ing] the existence of any suggestion or motivation for its use as a reference against the claims on appeal." (Br. 13.)

Rendleman teaches that the "invention will be described herein includes the electronic device [*i.e.*, the transponder], though it is understood it may be omitted." (Col. 2, ll. 59-61.) It is unclear how that can be seen as minimizing the use of a transponder in Rendleman. Moreover, the teachings of a reference are not limited to the specific examples disclosed therein. *In re Mills*, 470 F.2d 649, 651, 176 USPQ 196, 198 (CCPA 1972); *In re Chapman*, 357 F.2d 418, 424, 148 USPQ 711, 716 (CCPA 1966) ("A reference can be used for all it realistically teaches and is not limited to disclosures in its specific illustrative examples.").

Appellants argue that there is no teaching in Busch as to a single betting location where an intermingled bet may be made (Br. 13). Thus, Appellants conclude Busch "teaches away from the present invention and thus cannot provide the missing teaching of Rendleman . . . ." (*Id.* at 14.)

Claim 21 is drawn to a single gaming chip, and the apparatus of claims 27 and 28 merely require two gaming chips. Claim 21, as discussed above, recites "when said first class gaming chip and said at least one other

class of gaming chips are intermingled within said bet,” which is merely a statement of intended use, and not a patentable limitation. Claim 28 does not even mention that the chips are intermingled. Claim 27 recites that “at least one gaming chip of a second class having a second transponder containing at least value and class information, when said at least first class gaming chip and said at least second class gaming are intermingled within said bet.” Again, the statement that “the chips are intermingled in a bet” is intended use and not a patentable limitation.

As to claim 28, Appellants argue “the first class gaming chip transmits value information as described, and the second class gaming chip transmits value *and class* information as recited, and that the signals distinguish the chips as of different classes, the primary and secondary signals are necessarily different *types* of signals,” and that there is no teaching in Rendleman as to different types of signals differentiating between different classes of chips (Br. 22 (emphasis in original)).

Rendleman teaches that different types of information, such as denominational value, casino designation, serial number, *etc.*, may be encoded in the transponder (col. 3, ll. 2-9) and that such information is transmitted and read (col. 4, ll. 35-38). Thus, the signal of Rendleman’s transponder can clearly differentiate the different types of information, such as class of chip.

As to claims 31 and 32, Appellants argue that “[t]here is simply no teaching or suggestion in Rendleman . . . or Busch . . . , alone or in combination, regarding the identification of a player and/or the identification of a player as qualifying for both a live *card* game and a progressive game.” (Br. 23.) First, one of ordinary skill in the gaming art reading Rendleman

would understand that identification of a player would be the type of information that could be placed into the transponder. Second, the requirement that the chips be played in a card game is a statement of intended use, and not a patentable limitation, as the claims are drawn to the chips *per se*. Moreover, again, the ordinary artisan would have understood that the chips could be played in any type of game, such as a card game. “When there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp. If this leads to the anticipated success, it is likely the product . . . of ordinary skill and common sense.” *KSR*, 127 S. Ct. at 1742, 82 USPQ2d at 1397.

### CONCLUSION

In summary, we find that the Examiner has set forth a prima facie case of unpatentability, and the rejection of claims 21, 23, 24, 26-28, and 30-40 over the combination of Rendleman and Busch is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

### AFFIRMED

KIS

WEIDE & MILLER, LTD.  
7251 W. LAKE MEAD BLVD.  
SUITE 530  
LAS VEGAS, NV 89128